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U.S. Migration Over the Life Cycle

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The U.S. population is highly mobile. Between 1995 and 2000, 45.9 percent of U.S. residents moved at least once. Excluding those who moved from abroad, about 40 percent of residents moved outside their original county.[1] With relatively stable U.S. birth and death rates (about 14.2 births per 1,000[2] and 8.1 deaths per 1,000[3] in 2006), the domestic migration of households is a primary driver of regional shifts in the supply of labor and the distribution of local human capital, which ultimately determine a city's opportunities for economic growth.

Migration also has an effect on the age distribution of the population. Recent evidence shows that migration incentives for working-age and retired individuals are quite different and are sensitive to the level of human capital within the family. Economists Yong Chen and Stuart Rosenthal found that highly educated individuals between the ages of 20 and 35, regardless of marital status, tend to move to high-quality business environments.[4] This tendency is especially pronounced for so-called power couples with two college degrees for whom productive locations, often large metropolitan areas, provide job opportunities for both partners.[5] The pattern is also present among college-educated singles in the same age group, regardless of gender. In contrast, Chen and Rosenthal found that after age 55, regardless of education levels, married couples move from places with favorable business environments to places with high levels of consumer amenities, whereas single retired individuals show no such tendency. The authors offer a possible explanation—marriage enhances enjoyment from local consumer amenities. An alternative explanation is that retired singles may face higher moving costs because of their established social network of friends.

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Chen and Rosenthal developed measures of quality of life and quality of business environment to rank geographic areas according to their attributes—consumer amenities and business environment; the table shows the top five and bottom five areas. The locations most preferred by firms, and therefore by working-age individuals, tend to be large,

Consumer amenities			Business amenities		
Location	**Rank C**	**Rank B**	**Location**	**Rank C**	**Rank B**
Top five			**Top five**		
Santa Cruz, CA	1	5	San Jose, CA	6	1
Honolulu, HI	2	13	Stamford, CT	44	2
San Francisco–Vallejo, CA	3	3	San Francisco–Vallejo, CA	3	3
Salinas–Sea Side–Monterey, CA	4	19	Oakland, CA	45	4
Santa Barbara–Santa Maria–Lompoc, CA	5	18	Santa Cruz, CA	1	5
Bottom five			**Bottom five**		
Detroit, MI	342	46	Nebraska, Non-MSA	52	342
Waterbury, CT	343	58	McAllen–Edinburg–Pharr, TX	145	343
Flint, MI	344	188	Oklahoma, Non-MSA	84	344
Wilmington, DE/NJ/MD	345	45	North Dakota Non-MSA	104	345
Kokomo, IN	346	92	South Dakota, Non-MSA	46	346

NOTE: Rank C denotes consumer amenities ranking; Rank B denotes business environment ranking; MSA, Metropolitan Statistical Area.
SOURCE: Chen and Rosenthal (2008, Table 2a).

growing metropolitan areas. In contrast, the locations most highly ranked in terms of consumer amenities, and therefore favored by retirees, tend to be nonmetropolitan areas and cities in warm, coastal locations. These rankings yield implicit forecasts of which U.S. areas are likely to thrive or decline in coming years. If a location is to thrive, firms must want to do business there or households must want to live there, suggesting stratification of cities and regions into working areas and areas more heavily populated by retirees. Because the migration incentives seem more pronounced for both highly educated workers and retirees, locations unable to retain skilled individuals will attract individuals with lower levels of education, and therefore income, who cannot afford to move from declining cities or are pushed away from growing cities by higher living costs. ■

[1] Schachter, Jason P.; Franklin, Rachel S. and Perry, Marc J. "Migration and Geographic Mobility in Metropolitan and Nonmetropolitan America: 1995 to 2000." *Census 2000 Special Reports*, U.S. Census Bureau, August 2003.

[2] Martin, Joyce A.; Hamilton, Brady E., Sutton, Paul D., et al. "Births: Final Data for 2006." National Vital Statistics Reports. Volume 57, No. 7. Hyattsville, MD: National Center for Health Statistics, 2009; www.cdc.gov/nchs/data/nvsr/nvsr57/nvsr57_07.pdf.

[3] Heron, Melanie P.; Hoyert, Donna L., Murphy, Sherry L., et al. "Deaths: Final Data for 2006." National Vital Statistics Reports. Volume 57, No. 14. Hyattsville, MD: National Center for Health Statistics, 2009; www.cdc.gov/nchs/data/nvsr/nvsr57/nvsr57_14.pdf.

[4] Chen, Yong and Rosenthal, Stuart S. "Local Amenities and Life-Cycle Migration: Do People Move for Jobs or Fun?" *Journal of Urban Economics*, 2008, *64*, pp. 519-37.

[5] Costa, Dora L. and Khan, Matthew E. "Power Couples: Change in the Locational Choice of the College Educated, 1940-1990." *Quarterly Journal of Economics*, November 2000, *115*(4), pp. 1287-315.

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